

Exhibit A



AUDITOR'S REPORT

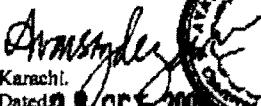
I have audited the annexed consolidated balance sheet of MEGA & FORBES GROUP OF COMPANIES as at June 30, 2005 and the related profit and loss account with the notes forming part thereof, for the year then ended and I state that I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purposes of my audit.

These Financial Statements are the responsibility of company's management. My responsibility is to express an opinion on these Financial Statements based on my audit.

I conduct my audit in accordance with Generally Accepted Auditing Standards. These standards require that I plan and perform the audit to obtain reasonable assurance about the Financial Statements whether the Financial Statements are free from material misstatements. I believe that my audit provides a reasonable basis for my opinion and, after due verification, I report that:

- a. in my opinion, proper books of account have been kept by the Companies as required by the Companies Ordinance, 1984;
- b. in my opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted and the expenditure incurred during the year was in accordance with the objects of the Company;
- c. in my opinion and to the best of our information and according to the explanations given to me, the balance sheet and profit and loss account together with notes forming part thereof, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of Company's affairs as at June 30, 2005 and of the profit for the year then ended; and
- d. in my opinion no Zakat was deductible under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

CHARTERED ACCOUNTANT


Karakhi.
Dated: 28/CCF/2005

MEGA & FORBES GROUP OF COMPANIES
CONSOLIDATED BALANCE SHEET
AS ON JUNE 30, 2005

	RUPEES IN THOUSANDS		INC/(DEC)	%
	* JUNE 30, 2005	JUNE 30, 2004		
FIXED ASSETS				
OPERATING ASSETS	03	1,483,105	1,107,488	375,617
CAPITAL WORK IN PROGRESS		108,514	76,625	31,889
SUB: TOTAL		1,391,619	1,184,113	
LONG TERM INVESTMENTS	04	939,887	864,803	75,084
LONG TERM LOANS / DEPOSITS & PREPAYMENTS	05	267,541	369,118	(101,577)
SUB: TOTAL		1,299,047	2,418,034	
CURRENT ASSETS				
TRADE DEBTS		714,864	607,851	107,013
STOCKS & DEBENTURES		807,588	701,530	106,058
SHORT TERM INVESTMENT		738,709	980,445	(241,736)
ADVANCES, DEPOSITS, PRE-PAYMENTS & OTHER RECEIVABLES		526,765	481,588	45,177
CASH & BANK	07	530,686	634,472	(103,786)
SUB: TOTAL		3,318,612	3,405,886	
CURRENT LIABILITIES				
SHORT TERM RUNNING FINANCE DUE TO NON ASSOCIATED UNDERTAKING		58,444	50,276	8,168
CREDITORS, ACCRUED & OTHER LIABILITIES		76,170	63,181	12,989
REFUNDABLE SECURITY DEPOSITS		144,061	142,374	1,687
DIVIDEND PAYABLE		314,443	379,549	(65,106)
TAXATION		467,500	371,250	96,250
SUB: TOTAL		1,393,273	1,226,764	
NET CURRENT ASSETS		2,025,339	2,179,122	(153,783)
NET ASSETS EMPLOYED		4,824,386	4,597,156	227,230
REPRESENTED BY				
SHARE CAPITAL	09	1,550,000	1,000,000	550,000
CAPITAL RESERVE		1,015,000	1,670,816	(655,816)
GENERAL RESERVE		719,080	548,000	171,080
UNAPPROPRIATED PROFIT		1,333,037	1,172,226	160,811
DEFERRED LIABILITIES		207,269	206,114	1,155
SUB: TOTAL		4,824,386	4,597,156	

* Consolidated Balance Sheet of MEGA & Forbes Group of Companies

Certified by:
 Avail Hyder & Jain & Co.
 Chartered Accountants



**MEGA & FORBES GROUP OF COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2005**



	RUPEES IN THOUSANDS		INC/DEC	%
	* JUNE 30, 2005	JUNE 30, 2004		
OPERATING INCOME	10,025,352	6,658,788	3,366,564	51
OPERATING EXPENSES	(2,673,000)	(1,837,035)	(835,965)	46
OPERATING PROFIT	7,352,352	4,821,753	2,530,599	52
OTHER INCOME	279,067	186,732	92,335	49
GROSS PROFIT	7,631,419	5,008,485	2,622,934	52
ADMINISTRATIVE, SELLING AND OTHER EXPENSES	(1,504,350)	(1,019,845)	(484,505)	48
10 PROFIT BEFORE TAXATION	6,127,069	3,988,640	2,138,429	54
PROVISION FOR TAXATION	(1,808,993)	(741,448)	(1,067,545)	144
PROFIT AFTER TAXATION	4,318,076	3,247,192	1,070,884	33
UNAPPROPRIATED PROFIT BROUGHT FORWARD	1,197,461	475,034	722,427	152
TRANSFER TO CAPITAL RESERVE	5,515,537	3,722,226	1,793,311	48
TRANSFER TO GENERAL RESERVE	(515,000)	(1,000,000)	485,000	(49)
PROPOSED DIVIDEND	(2,450,000)	(900,000)	(1,550,000)	172
	(1,217,500)	(650,000)	(367,500)	87
UNAPPROPRIATED PROFIT	1,333,037	1,172,226	160,811	

* Consolidated Profit & Loss Account of Mega-in & Forbes Group of Companies

Certified by:
 Avais Hyder Zaidi
 Chartered Accountants



**MEGA & FORBES GROUP OF COMPANIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2005**

1. STATUS AND NATURE OF BUSINESS

Mega & Forbes Group of Companies incorporated in Pakistan and engaged in Shipping, Stevedoring and Telecommunication Business.

2. SUMMARY OF SIGNIFICAT ACCOUNTING POLICIES

2.1 ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention.

**2.2 Taxation
Current**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into accounts tax credit and rebates available, if any, or half percent of turnover, whichever is higher.

2.3 Tangible Fixed Assets

These are stated at cost less accumulated depreciation. Depreciation is charged to Income applying the rate of depreciation on cost. Full year depreciation is charged on additions to the fixed assets and no depreciation is charged for deletion of the assets. Normal repairs and maintenance are charged to expenses as and when incurred. Major replacements and improvements are capitalized and assets so replaced, if any, are disposed.

03 TANGIBLE FIXED ASSETS

PARTICULARS	ASSETS AS ON 01-07-2004	ADDITION/ (DISPOSAL) BETWEEN THE PERIOD	COST AS ON 30-06-1995	DEP. RATE %	ACCUMULATED DEPRECIATION AS ON 01-07-2004	DEPRECIATION FOR THE YEAR 01-07-2004 TO 30-06-2004	ACCUMULATED DEPRECIATION AS ON 30-06-2004	NET BOOK VALUE AS ON 30-06-2004
FURNITURE & FIXTURE	321,442	347,060	708,502	10	72,540	70,850	143,390	565,112
OFFICE EQUIPMENT	296,621	83,405	380,026	10	47,250	38,003	85,253	294,773
MOTOR VEHICLES	277,973	243,879	521,852	20	62,124	104,370	156,494	365,358
COMPUTER & PRINTERS	98,310	68,774	167,034	10	21,620	16,708	34,228	128,856
GENERATOR	113,142	50,123	163,265	10	17,832	16,327	34,259	129,007
	1,107,488	633,241	1,940,729		211,366	246,258	457,624	1,483,165

	2005 Rupees '000	2004 Rupees '000
04 <u>LONG TERM INVESTMENT</u>		
LONG TERM INVESTMENT	939,887	864,803
05 <u>LONG TERM LOANS/DEPOSITS & PREPAYMENTS :</u>		
LONG TERM LOANS	182,365	223,758
DEPOSITS	<u>85,176</u>	<u>147,360</u>
	<u>267,541</u>	<u>223,758</u>
06 <u>CURRENT ASSETS</u>		
TRADE DEBTS	714,864	607,851
STOCKS & DEBENTURES	807,588	701,530
SHORT TERM INVESTMENTS	<u>738,709</u>	<u>980,445</u>
	<u>2,261,161</u>	<u>2,289,826</u>
<u>ADVANCES DEP. PREPAYMENTS & RECEIVABLES</u>		
<u>ADVANCES</u>		
TO STAFF	<u>12,850</u>	<u>8,525</u>
	<u>12,850</u>	<u>8,525</u>
<u>DEPOSITS</u>		
CUSTOM DEPOSITS	3,850	3,850
K.P.T. DEPOSIT	2,250	2,250
RENT DEPOSITS	1,000	1,000
KDLE DEPOSIT	300	300
LET PASS DEPOSIT	300	300
	<u>7,700</u>	<u>7,700</u>
<u>PREPAYMENTS AND OTHER RECEIVABLES</u>		
PREPAID EXPENSES	<u>506,215</u>	<u>465,363</u>
	<u>506,215</u>	<u>465,363</u>
	<u>2,787,926</u>	<u>481,528</u>



	2005 Rupees '000	2004 Rupees '000
07. CASH & BANK BALANCE		
CASH IN HAND	136,547	205,841
CASH AT BANK	<u>394,139</u>	<u>428,631</u>
	<u>530,686</u>	<u>634,472</u>
08. CURRENT LIABILITIES		
SHORT TERM RUNNING FINANCE	58,444	50,276
DUE TO NON ASSOCIATED UNDERTAKINGS	<u>76,170</u>	<u>63,181</u>
	<u>134,614</u>	<u>113,457</u>
CREDITORS AND ACCRUED EXPENSES		
SECURITY DEPOSIT	314,443	379,549
PROVISION FOR TAXATION	232,655	220,134
DIVIDEND PAYABLE	467,500	371,250
OTHERS PAYABLE	<u>144,061</u>	<u>142,374</u>
	<u>1,158,659</u>	<u>1,113,307</u>
	<u>1,293,273</u>	<u>1,226,764</u>
09. ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
155,000 ORDINARY SHARES OF R8.10 EACH	1,550,000	1,000,000
	<u>1,550,000</u>	<u>1,000,000</u>
10. ESTABLISHMENT & OTHER EXPENSES		
STAFF SALARY	675,072	458,956
SOCIAL CHARGES & BENEFITS	9.1	41,560
COMMUNICATION EXPENSES	9.2	49,650
OFFICE EXPENSES	9.3	75,260
INFORMATION SYSTEMS & TECHNOLOGY		50,425
CHARITY & DONATION		116,347
ADVERTISEMENT / BUSINESS PROMOTION EXPENSES		78,086
ENTERTAINMENT EXPENSES		22,500
VEHICLE RUNNING AND MAINTENANCE		123,860
BANK CHARGES & COMMISSIONS		27,450
DEPRECIATION EXPENSES		61,478
TRAVELLING EXPENSES		48,450
SUBSCRIPTION		145
LEGAL AND PROFESSIONAL EXPENSES		480
MISCELLANEOUS EXPENSES		12,680
	<u>246,258</u>	166,335
	<u>48,450</u>	32,396
	<u>145</u>	97
	<u>480</u>	328
	<u>12,680</u>	8,496
	<u>1,504,360</u>	<u>1,019,845</u>



	2005 Rupees '000	2004 Rupees '000
10.1 SOCIAL CHARGES AND BENEFITS		
CONTRIBUTION TO EMPLOYEES BENEFIT SCHEMES	1,275	854
STAFF BENEFITS	39,935	26,756
OTHERS	350	235
	41,560	27,845
10.2 COMMUNICATION		
TELEPHONE CHARGES	12,850	9,610
PAX CHARGES	16,240	12,875
MOBILE CHARGES	12,450	8,342
POSTAGE CHARGES	3,425	2,295
INTERNET CHARGES	4,685	3,139
	49,650	36,260
10.3 OFFICE EXPENSES		
OFFICE RENT	34,712	23,258
PRINTING AND STATIONARY	12,744	8,538
UTILITY CHARGES	6,540	4,382
INSURANCE EXPENSES	7,444	4,987
OFFICE EQUIPMENT REPAIR & MAINT.	13,820	9,260
	75,260	56,425